

BOARD OF ETHICS FOR ELECTED OFFICIALS
acting as the
SUPERVISORY COMMITTEE ON CAMPAIGN FINANCE DISCLOSURE

DATE: June 18, 1991

OPINION NO. 91-050

RE: Appropriate Use of Campaign Funds

The Board of Ethics for Elected Officials, acting as the Supervisory Committee on Campaign Finance Disclosure (the "Board"), is authorized by La. R.S. 18:1511.2 B to render advisory opinions on its own initiative concerning the application of a general provision of the Campaign Finance Disclosure Act. The Board elects to render such an opinion as to the appropriate use of campaign funds due to the numerous informal inquiries made concerning the use of such funds.

The restriction on the use of campaign funds, La. R.S. 18:1505.2 I, was added to the Campaign Finance Disclosure Act by legislative amendment in 1988, to be effective January 1, 1991. That Section provides:

(1) On and after January 1, 1991, contributions received by a candidate or a political committee may be expended for any lawful purpose, but such funds shall not be used, loaned, or pledged by any person for any personal use unrelated to a political campaign or the holding of a public office or party position; except that excess campaign funds may be returned to contributors on a pro rata basis, given as charitable contributions as provided in 26 USC 170(c), given to a charitable organization as defined in 26 USC 501(c)(3), expended in support of or in opposition to a proposition, political party, or candidacy of any person, or maintained in a segregated fund for use in future political campaigns or activity related to preparing for future candidacy to elective office. However, the use of campaign funds of a candidate or his

principal or subsidiary committees to reimburse a candidate for expenses related to his political campaign or his holding of a public office or party position shall not be considered personal use by the candidate. If a candidate is required by state or federal law to pay taxes on the interest earned by campaign funds of the candidate or any political committee of the candidate, the candidate may use the interest on which such tax is paid for such purpose. A payment from campaign funds shall not be considered as having been spent for personal use when the funds are used to replace articles lost, stolen, or damaged in connection with the campaign.

(2) The provisions of this Subsection shall not¹ apply to campaign funds received prior to July 15, 1988.

Therefore, the general rule concerning the expenditure of campaign funds is that the funds must be expended for a use related to a political campaign or the holding of a public office. This rule is consistent with Internal Revenue Service guidelines which provide that political funds that are diverted from campaign activity and used by a candidate for personal purposes would be income taxable to the candidate. The appropriate use of campaign funds must then be determined on a case by case basis.

However, the Board recognizes that there are some general categories of expenditures that are common to many candidates and office holders. This opinion is then intended to provide general guidance as to those general categories. Any specific questions may be addressed directly to the Board.

¹ In Docket No. 88-103, the Board concluded that to determine whether funds received prior to July 15, 1988, would be available for personal use after January 1, 1991, a "first in, first out" method of accounting must be used.

(1) Donations to Charitable Type Fund-Raising Events

Candidates and office holders are invited to make donations to such causes as church fairs, school auctions, and civic organization fund-raising events. Also, they are asked to buy tickets for raffles used to raise funds for schools, churches, and civic organizations. These invitations are usually made because of the status of the candidate or office holder. Further, the donations are usually made by the candidate or office holder in his role as such. The Board views such expenditures as appropriate from campaign funds provided they are reasonable and customary.

(2) Purchase/Lease of Telephone Equipment

During a campaign, candidates may find it necessary to use answering machines, cellular phones and other types of telephone equipment to stay in touch with their campaigns. Office holders often have similar needs. The use of campaign funds to purchase or lease such equipment is appropriate provided that the primary purpose of the equipment is to facilitate the campaign or the holding of public office.

(3) Payment of Membership Dues in Organizations

Many office holders find it necessary to join certain groups or organizations to stay in touch with their constituency and/or enhance their professional standing. Such organizations could include the National Conference of State Legislatures, Common Cause, Public Affairs Research Council, etc. In such a circumstance, the Board finds that it is appropriate to use

campaign funds to pay membership dues in such group or organization.

(4) Expenses of Operating a District Office

Because campaign funds may be used for a use related to the holding of a public office, the use of such funds for rental and operating expenses associated with the operation of a district office would be allowed. However, campaign funds should not be used to compensate persons who would be considered "public employees," as that term is defined at Section 1102(18) of the Code of Governmental Employees, for the performance of duties and responsibilities of their public office of position. The performance of duties and responsibilities associated with a public position should be compensated only by the governmental employer.

(5) Expenses for Attendance of Legislative Session

A legislator often incurs expenses associated with his attendance of the legislative session or interim committee meetings. These expenses include transportation, meals, and lodging. The use of campaign funds for such expenses is allowable, to the extent that those expenses are not otherwise reimbursed through the Legislature, since these expenses are associated with the holding of the legislator's public office.

Similarly, a legislator may be called upon to discuss district business with a constituent over a meal. Under such circumstances a legislator could use campaign funds to pay for that meal.

(6) Flowers and Gifts to Constituents

An elected official often feels obligated, because of his position, to extend such courtesies as providing flowers for funerals of deceased constituents or graduation gifts to young people in his district. When these types of courtesies are extended because of the position of the elected official, and are reasonable and customary, campaign funds may be used since the use is related to the holding of a public office.

CONCLUSION

The Board issues this opinion to provide general guidelines to candidates and office holders as to the use of their campaign funds. Any use of campaign funds must be specifically itemized and reported on the candidate's campaign finance disclosure reports. Specific questions about proposed uses of funds may be addressed to the Board on a case by case basis.

s/ Robert L. Roland
Robert L. Roland, Chairman

s/ Carlos G. Spaht
Carlos G. Spaht

s/ Dr. John Tassin
Dr. John Tassin

s/ Harry McCall, Jr.
Harry McCall, Jr.

s/ Edwards Barham
Edwards Barham